

# More delay over fibre

The Government's target to roll out full fibre infrastructure nationwide by 2025 raises the question of whether Ofcom's latest consultation on the matter is a case of too little too late.

Ofcom's Supercharging Investment in Fibre Broadband consultation launched last month closes on 1st April and the watchdog plans to publish its decisions in early 2021, less than four years ahead of the Government's target date. Ofcom says it wants to speed up the roll out of fibre yet it could achieve the opposite considering the timescales involved in bringing its latest set of ideas to conclusion, almost slamming on the brakes with a year-long perusal of proposed options, which take the form of a four point action plan.

Firstly, Ofcom plans to improve the business case for fibre investment. In more urban areas, where there is likely to be a choice of networks, Ofcom will set Openreach's wholesale prices in a way that encourages competition from new networks, as well as investment by Openreach by giving it the opportunity to make a fair return.

The scheme's next stated aim is to protect customers and drive competition. So Ofcom will seek to cap Openreach's wholesale charges on its slower copper broadband services; and to prevent Openreach from harming competition it would be restricted from offering discounts that could stifle investment by rivals.

Thirdly, in rural areas Ofcom proposes to allow Openreach to recover investment

costs across the wholesale prices of a wider range of services, reducing the risk of its investment. Last but not least, Ofcom proposes to remove regulation on Openreach's copper products in areas where full fibre is built to support it in switching customers to the new fibre network.

The proposals form part of Ofcom's review of wholesale telecoms used for residential and business services. It also maps out how Ofcom will regulate BT for the period from April 2021 to March 2026. Ofcom emphasised that it intends to vary regulation for different parts of the country to 'ensure nobody gets left behind'.

The announcement was quickly followed by industry calls for Ofcom to prioritise competition, ensure a level playing field, speed up momentum and do what it says quicker. CityFibre CEO Greg Mesch urged Ofcom to inject urgency into its planning if the Government's 2025 deadline for national coverage is to be met. "The target is possible but only achievable with bold and affirmative action," said Mesch. "The direction of travel Ofcom is taking to ensure national coverage and help establish the at-scale competitors essential to a healthy infrastructure market for the long-term is right, but we would like to see it move further and faster.

"We are encouraged by Ofcom's recognition of the risks of volume discounts



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and geographic pricing to damage competition before it can scale, but we would like it to be even more proactive in addressing these issues."

### Competition is key

Tristia Harrison, Chief Executive of TalkTalk, says it is essential for the regulatory environment to allow competition and investment to thrive. "Ofcom must avoid raising wholesale prices too early and only do so when competition has been established," she commented. "This is the best way to encourage investment from new entrants, support retail competition and protect consumers from higher charges before they have access to faster, more reliable services."

Evan Wienburg, Truespeed CEO, believes that Ofcom must take account of the

work that providers such as Truespeed and others are doing in rural areas and not muddy the playing field by allowing Openreach to waste money on overbuilding projects in these areas. "We urge Ofcom to ensure a fair and level playing field between private and part public funded infrastructure providers as the industry ramps up to deliver on the promise of full fibre broadband for all, regardless of postcode," he stated.

An anonymous statement from Openreach went like this, 'We'll consider the range of proposals carefully and continue to work with Ofcom and industry on getting the conditions right to help achieve the Government's ambition of rolling out gigabit capable broadband across the UK as soon as possible'.

### Analysis and comment

What do Ofcom's proposals tell us? They tell us that the UK still has no overarching strategy to get the nation fibred up pronto, and that speed of action and completeness of execution cannot even be entertained until the right 'conditions' to really move forward have been established. Perhaps also, the proposals underestimate the work done by altnets and downplay their potential to significantly drive the fibre agenda.

In regulatory terms, we have barely moved forward a yard. The reality is that 2025 will not be achieved by words; and in all of this the revelatory term is 'consideration', a euphemism for sitting on hands. After closing the consultation in April Ofcom will spend many months in a state of consideration, reflecting Openreach's contemplative mood in the run up to April – it too will 'carefully consider' the proposals.

Despite all that, the full fibre market is wide open for anyone wanting to take the initiative by the scruff of the neck. Let us now 'consider' something important and telling: Consider the go-get spirit of entrepreneurialism which characterises the channel, and how that contrasts with the badge of 'dither and delay' pinned on the weak chest of a stick in the mud regulator, and a ponderous incumbent. The channel should now punch the air and cry, 'Let's get Digital Britain done!' ■